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Economic Commission for Europe

Meeting of the Parties to the Convention
on Environmental Impact Assessment in
a Transboundary Context

Meeting of the Parties to the Convention
serving as the Meeting of the Parties
to the Protocol on Strategic
Environmental Assessment

Working Group on Environmental Impact Assessment and Strategic Environmental Assessment

Third meeting

Geneva, 11–15 November 2013

Item 8 of the provisional agenda

Budget, financial arrangements and financial assistance

Additional information related to the draft financial strategy

Note by the secretariat

I. Introduction

1. This document has been prepared by the secretariat to provide additional information on the proposed alternative schemes for financial contributions to the Trust Fund under the Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention) and the Protocol on Strategic Environmental Assessment (Protocol on SEA) included in the draft financial strategy in annex to the draft decision VI/4–II/4 on budget, financial arrangements and financial assistance (annex II, ECE/MP.EIA/WG.2/2013/L.2).

2. The mandate for the draft financial strategy stems from the request by the Meeting of the Parties to the Convention and the Meeting of the Parties to the Convention serving as Meeting of the Parties to the Protocol, in 2011, to “the Bureau, possibly with the support of a small group, to develop a strategy for carrying out the work under the Convention and the Protocol given the financial constraints” (decision V/10–I/ of ECE/MP.EIA/15, para. 16).

3. The Bureau discussed elements for a draft financial strategy at its meeting on 31 January and 1 February 2013 and agreed to submit a draft strategy for consideration by the Working Group on EIA and SEA at its second meeting (27–30 May 2013). Bureau decided that the document should also draw on the experience of the other United Nations Economic Commission for Europe (ECE) environmental conventions in drafting sustainable extrabudgetary financial arrangements, presented at a joint meeting between the representatives of the governing bodies of these conventions and the Committee of Environmental Policy on 27 February 2013.

4. At its second meeting, the Working Group considered and amended the first draft of financial strategy (ECE/MP.EIA/WG.2/2013/5), focusing, in particular, on the proposed alternative schemes for the financial contributions to the Convention trust fund. The Working Group agreed to continue its consideration of four alternative schemes. It invited the Bureau, with the assistance of the secretariat, to prepare a revised draft based on the comments made, for consideration of the Working Group at its third meeting (11–15 November 2013). The revised draft was to elaborate more in detail on how the proposed alternative schemes might function and how viable they would be in securing the funding of the Convention’s budget, and in particular of the priority one (or “core”) activities.

II. Contributions to the trust fund

A. Financial arrangements under other environmental agreements

5. To assist the Working Group in exploring alternative financial options, this section provides a review of financial contribution schemes in use and/or being considered under other ECE Multilateral Environmental Agreements (MEAs).

6. The Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters, has a system of voluntary contributions similar to that under the Espoo Convention. To inform the preparation of a possible decision on financial arrangements under the Aarhus Convention, Parties funded consultants to the Aarhus secretariat to develop an assessment or an “independent review” of the current scheme of contributions (see ECE/MP.PP.WG.1/2013/9 and AC/WGP–16/Inf.10)^a. The assessment concluded that without implementation of a mandatory scheme or at least a stronger financial commitment by Parties –whether based on minimum pledge amounts, a scale of assessments or a mixed mandatory/voluntary scheme –it was unlikely that the Convention could maintain a level of financial stability and predictability in the long term. At its sixteenth meeting (June 2013), the Working Group of Parties considered draft elements of possible financial arrangements prepared by the Aarhus Bureau taking into account the outcomes of the assessment (ECE/MP.PP.WG.1/2013/10) and requested the Bureau to prepare a draft decision on financial arrangements for submission to the seventeenth meeting of the Working Group (March 2014) for consideration and subsequent submission to the Meeting of the Parties to the Aarhus Convention at its fourth session (June 2014). The draft decision will include the following two options^b:

A. To continue maintaining a voluntary scheme of contributions without distributing the burden of covering the costs of the activities among the Parties and Signatories to the Convention in proportion to the United Nations scale of assessments, based on the following principles ;

B. Establish a mandatory scheme of contributions aimed at covering the costs of activities under the work programme that are not covered by the United Nations regular budget, which has been submitted for comments by the Parties, based on the following principles:

(a) The burden of covering the costs of the activities shall be distributed among the Parties and Signatories to the Convention in proportion to the United Nations scale of assessments;

^a All documents are available from <http://www.unece.org/env/pp/aarhus/wgp16.html>

^b See: <http://www.unece.org/env/pp/aarhus/wgp17.html>

(b) The scale of assessments shall be adjusted so that no Party or Signatory is required to contribute more than 20 per cent of the estimated costs to be covered by the scheme;

(c) Each Party or Signatory shall contribute each year, as a minimum, the amount derived from applying the adjusted scale of assessments referred to in subparagraph (b) of the current option to the total estimated costs of the activities, but each contribution should not be less than [300 USD];

7. The below table (table 1) below provides a snapshot comparison of the financial contribution schemes of selected multilateral environmental agreements (MEAs).^c

Table 1. Comparison of MEA Financial Contribution Schemes

<i>MEA</i>	<i>Voluntary scheme</i>	<i>Compulsory scheme</i>	<i>UN Scale of assessments</i>	<i>Other financial scheme</i>
World Heritage Convention	x	x	x	UNESCO scale
Montreal Protocol		x	x	
UNEP Chemical Conventions		x	x	
Aarhus Convention	x			
Water Convention	x			
Industrial Accidents Conventions	x		(x) ^d	
Air Convention	x	x	x	Geographical location ^e
UNEP Convention Funds	x		x	

^c Table 4. Comparison of MEA Financial Contribution Schemes from AC/WGP16/Inf. 10 (adapted from Matz 2002 and UNECE 2013 “Sustainable extrabudgetary financial arrangements for the ECE environmental conventions”)

^d Parties voluntarily contribute the amounts they choose to contribute. If a country asks for guidance on how much it should contribute, the Convention secretariat refers it to the UN scale of assessment

^e Air Convention has established a mixed voluntary/compulsory scheme which is based on the geographical source and scope of air pollution (see N. Matz, “Environmental Financing”).

B. Clarifications and background information on the proposed alternative financial schemes

8. As agreed by the Working Group on EIA and SEA in May, the draft financial strategy submitted for consideration by the Working Group at its third meeting presents in section III.B “Contributions to the trust fund”, four alternatives aimed to “ensure sustainable funding of the activities and an equitable and proportionate distribution of the financial burden among the Parties [and the Signatories]” (ECE/MP.EIA/WG.2/2013/5, para.6). These alternatives are described in more detail below.

Alternative A

9. The alternative A proposes that the current system of voluntary financial contributions, based upon a system of shares, (established by decision III/10 of the Meeting of the Parties to the Convention), is maintained, whereby Parties to the Convention and the Protocol as well as Signatory States, other countries, international and regional organizations, international financial institutions may choose to make contributions equivalent in value to a number of shares of the budget. As a new element, the Working Group is invited to consider adding non-governmental organizations (NGOs) into the list of possible contributors to the trust fund.

10. Based on the experience in applying the current system this far, the status quo alternative is not likely to ensure the achievement of the objectives set for the financial strategy, that is, to improve of the stability and predictability of the sources of funding and introduction of arrangements based on the equitable and proportionate sharing of the burden among the Parties for financing of the workplan activities.

Alternative B

11. The proposed alternative B, consists of a system of voluntary financial contributions, under which “each Party and Signatory” or each “Party that has not contributed or pledged or that has so far only committed limited funds or in-kind contributions” will be invited to contribute each year, as a minimum, an amount calculated based on the agreed budget for the Convention and the adjusted scale of assessments for the apportionment of the expenses of the United Nations.

12. The United Nations scale of assessments for the apportionment of the expenses is the basis for national contributions to the regular budget of the United Nations, which reflects the economic strength of the countries. It is adopted by the General Assembly for a biennium (the scale for 2013–2014 was adopted on 24 December 2012). It is proposed to be used to ensure the equitable and proportionate sharing of the burden among the Parties.

13. The adjusted United Nations “scale of assessments” is the most commonly used, or at least referred to, criteria for “fair sharing” of the voluntary or mandatory financial burden among Parties and Signatories to different MEAs (see table above). Out of the five ECE MEAs and their Protocols, only the Protocol on Long-term Financing of the Cooperative Programme for Monitoring and Evaluation of the Long-range Transmission of Air Pollutants in Europe (EMEP) to the Convention on Long-range Transboundary Air Pollution (Air Convention) applies a mandatory scheme of contributions, using the UN scale of assessments as the method of cost sharing among the Parties.

14. In 2012 and 2013, when inviting contributions from Parties that had not pledged or contributed to the Espoo Convention trust fund, the Bureau used this method of calculation for suggesting an amount to be contributed.

15. With the application of the UN scale of assessment, adjusted to the number of the Parties to the Convention and to the budget adopted by the MOP-5 for 2011-2014, to all Parties to the Convention, the bulk of the financial burden would fall mainly on six Parties. These countries would cover almost 70 per cent of the total budget, with the highest percentage shares attributed, in decreasing order, to Germany, the United Kingdom of Great Britain and Northern Ireland, France, Italy, Canada and Spain. The comparison with Parties' actual pledges for 2011-2014 showed that France and Germany pledged less than one third of their United Nations scale-based share, and that the other four biggest contributors did not pledge or contribute at all during the period in question. At the same time, the calculation also showed that several other Parties contributed substantially more than their adjusted United Nations scale-based share (e.g., Bulgaria, Croatia, Hungary, the Netherlands, Norway, Slovenia, Switzerland and Ukraine).

16. Under the Convention on the Transboundary Effects of Industrial Accidents (Industrial Accidents Convention), the Bureau had proposed to the Conference of the Parties in November 2012 the adoption of a sustainable financial mechanism that included the following: "Letters to those Parties that have not pledged or contributed to the trust fund, and that have not made or pledged an in-kind contribution to the implementation of the workplan, will suggest a specific amount be contributed. The amount will be calculated using the agreed budget for the Convention and the scale of assessments for the apportionment of the expenses of the United Nations, adjusted to those States that are Parties to the Convention". However, prior to adopting the mechanism, the Conference replaced the above wording with: "Parties that have not made or pledged a contribution to the trust fund, and that have not made or pledged an in-kind contribution to the implementation of the workplan, will be encouraged to do so. Should Parties request advice as to the amount of financial contributions or the nature of possible in-kind contributions, the secretariat will provide such advice. The Conference observed that including reference to the scale of assessments "might raise expectations that some Parties might not be in a position to fulfil".

17. Under the Aarhus Convention, several efforts were made over the years to move from the current voluntary scheme towards a mandatory contribution scheme and/or a scheme based on a scale of assessment in order to distribute the burden more "fairly" between Parties. However, the Meetings of the Parties in their sessions in 2005, 2008, 2011 failed to establish a new financial contribution scheme due to a lack of consensus between Parties. Recently, the issue of introducing either the UN scale of assessment or alternative scales as a guide for the contributions was addressed in the Aarhus Convention's assessment of the scheme of contributions^f. This assessment clearly concluded that a voluntary scheme that does not have reference to any suggested scale would fall short of achieving more stable, predictable and equitable sources of funding for the Convention. Nevertheless, the responses by Parties to a questionnaire demonstrated that there were both opponents as well as supporters of introducing such a scale, whether on a voluntary or mandatory basis.

18. The below table (table 2) provides a calculation of a possible cost sharing among the Parties to the Espoo Convention for the Convention budget for 2011-2014, based on the United Nations scale of assessments (as adopted by the General Assembly on 24 December 2012 for the period 2013-2014). This United Nations scale has been adjusted (a) by

^f AC/WGP16/Inf. 10

considering only those States that are Parties to the Espoo Convention (the Parties account for 44.606 per cent of the total scale); and (b) by including a standard contribution from the European Union of 3.330 per cent. No Party is required to contribute more than 20 per cent of the estimated costs to be covered by the scheme;

19. For some Parties, the amounts of the proposed contributions calculated based on the scale of assessment are relatively small. Therefore, some MEAs have decided to set a minimum amount for Parties' contributions. For example, under the Aarhus Convention, it has been proposed that the next Meeting of the Parties increase the minimum amounts from the previously agreed 200 USD to 500 USD. "No Party or Signatory is expected to contribute less than 500 United States dollars for the Convention's work programme in its contribution for a given calendar year"^g. The Working Group may wish to consider whether it would like to follow a similar path under the Espoo Convention. To illustrate this option in figures, the secretariat has included a column (F) into the below table, where all the contributions for the three year intersessional that are under 500 USD have been rounded up to 500 USD.

Table 2. An example of contributions to the Convention trust fund for the intersessional period (three years), based on the United Nations scale of assessments for 2013–2014^h

<i>Column A: Countries (Parties)</i>	<i>Column B: United Nations scale of assessments (percentage)</i>	<i>Column C: Adjusted United Nations scale of assessments (percentage)</i>	<i>Column D: Contribution calculated based on the scale of assessments for one year (US\$)</i>	<i>Column E: Contribution calculated based on the scale of assessments for 2011-2014 (US\$)</i>	<i>Column F: Contribution calculated based on the scale of assessments for 2011-2014 with minimum contribution of 500 USD (US\$)</i>	<i>Column GF: Actual pledges by Countries (Parties) for 2011- 2014</i>
Albania	0.010	0.024	91	272	500	
Armenia	0.007	0.017	64	191	500	
Austria	0.798	1.914	7,240	21 719	21 719	18 000
Azerbaijan	0.040	0.096	363	1 089	1 089	
Belarus	0.056	0.134	508	1 524	1 524	
Belgium ⁱ	0.998	2.393	9,054	27 162	27 162	
Bosnia and Herzegovina	0.017	0.041	154	463	500	
Bulgaria	0.047	0.113	426	1 279	1 279	8 000
Canada	2.984	7.155	27,071	81 214	81 214	
Croatia	0.126	0.302	1,143	3 429	3 429	9 000
Cyprus	0.047	0.113	426	1 279	1 279	
Czech	0.386	0.926	3,502	10 506	10 506	15 000

^g Draft elements of possible financial arrangements under the Convention (ECE/MP.PP/WG.1/2013/10)

^h To be adjusted based on the new budget to be adopted for 2014–2017.

ⁱ Belgium has made an unpledged contribution of US\$ 20,000 in 2011

<i>Column A:</i> Countries (Parties)	<i>Column B:</i> United Nations scale of assessments (percentage)	<i>Column C:</i> Adjusted United Nations scale of assessments (percentage)	<i>Column D:</i> Contribution calculated based on the scale of assessments for one year (US\$)	<i>Column E:</i> Contribution calculated based on the scale of assessments for 2011-2014 (US\$)	<i>Column F:</i> Contribution calculated based on the scale of assessments for 2011-2014 with minimum contribution of 500 USD (US\$)	<i>Column GF:</i> Actual pledges by Countries (Parties) for 2011- 2014
Republic						
Denmark	0.675	1.619	6,124	18 371	18 371	
Estonia	0.040	0.096	363	1 089	1 089	
Finland	0.519	1.245	4,708	14 125	14 125	
France	5.593	13.412	50,741	152 222	152 222	42 000
Germany	7.141	17.124	64,784	194 353	194 353	30 000 ^j
Greece	0.638	1.530	5,788	17 364	17 364	
Hungary	0.266	0.638	2,413	7 240	7 240	16 000
Ireland	0.418	1.002	3,792	11 376	11 376	
Italy	4.448	10.666	40,353	121 059	121 059	
Kazakhstan	0.121	0.290	1,098	3 293	3 293	
Kyrgyzstan	0.002	0.005	18	54	500	
Latvia	0.047	0.113	426	1 279	1 279	
Liechtenstein	0.009	0.022	82	245	500	
Lithuania	0.073	0.175	662	1 987	1 987	
Luxembourg	0.081	0.194	735	2 205	2 205	
Malta	0.016	0.038	145	435	500	
Montenegro	0.005	0.012	45	136	500	
Netherlands	1.654	3.966	15,005	45 016	45 016	67 000
Norway	0.851	2.041	7,720	23 161	23 161	37 000 ^k
Poland	0.921	2.208	8,355	25 066	25 066	15 000
Portugal	0.474	1.137	4,300	12 901	12 901	
Republic of Moldova	0.003	0.007	27	82	500	
Romania	0.226	0.542	2,050	6 151	6 151	
Serbia	0.040	0.096	363	1 089	1 089	1 000
Slovakia	0.171	0.410	1,551	4 654	4 654	2 000
Slovenia	0.100	0.240	907	2 722	2 722	9 000
Spain	2.973	7.129	26,972	80 915	80 915	
Sweden ^l	0.960	2.302	8,709	26 128	26 128	

^j Germany made an unpledged contribution of US\$ 25,000 in 2012

^k Norway has made unpledged contributions for a total of US\$ 168,726 in 2011-2013

^l Sweden has made an unpledged contribution of US\$ 28,469 in 2012

<i>Column A: Countries (Parties)</i>	<i>Column B: United Nations scale of assessments (percentage)</i>	<i>Column C: Adjusted United Nations scale of assessments (percentage)</i>	<i>Column D: Contribution calculated based on the scale of assessments for one year (US\$)</i>	<i>Column E: Contribution calculated based on the scale of assessments for 2011-2014 (US\$)</i>	<i>Column F: Contribution calculated based on the scale of assessments for 2011-2014 with minimum contribution of 500 USD (US\$)</i>	<i>Column GF: Actual pledges by Countries (Parties) for 2011- 2014</i>
Switzerland	1.047	2.511	9,499	28 496	28 496	60 000 ^m
The former Yugoslav Republic of Macedonia	0.008	0.019	73	218	500	
Ukraine	0.099	0.237	898	2 694	2 694	6 000
United Kingdom of Great Britain and Northern Ireland	5.179	12.419	46,985	140 954	140 954	
European Union		3.330	12,599	37 796	37 796	210 000
Total	40.310	100.000		1 135 000	1 137 404	

Alternative C

20. As a third alternative it is proposed that Parties that have not contributed or pledged in the intersessional period should be invited to make a contribution based on three “categories of donors”:

- (a) “Small” donors expected to contribute US\$ 500–US\$ 5,000;
- (b) “Medium” donors expected to contribute US\$ 5,000–US\$ 30,000;
- (c) “Large” donors expected to contribute not less than US\$ 30,000.]

21. The Parties could be assigned to one of the categories based on their gross domestic product (GDP) per capita or it could be left to each Party to determine which category it should belong. The below table indicates to which “category” the Parties would belong to based on their GDP in 2012 (except for Liechtenstein the figure of 2009 was used as it was the most recent available).

22. To illustrate how a possible cost sharing scheme among Parties based on the above “categories of donors” would work in practice, the secretariat calculated how many contributions would be needed under each of the three categories to secure the financing of the Convention’s total budget, using the budget for 2011-2014 as a basis. Two possible scenarios were considered based on the following assumptions:

^m Switzerland has made an unpledged contribution of US\$ 30,164 in 2011

(a) Parties would choose to contribute the lowest amount in each of the classes presented in the (draft) financial strategy, meaning that “small” donors would contribute US\$ 500, “medium” donors would contribute US\$ 5,000, “large” donors would contribute US\$ 30,000. As a result, in order to secure the sufficient total amount of contributions, there should be no less than 29 “large” donors, eleven “medium” donors and four “small” donors.

(b) Parties would contribute the average amount within each class, meaning that “small” donors would contribute US\$ 2,500, “medium” donors would contribute US\$ 15,000, “large” donors would contribute US\$ 45,000. To secure the sufficient total amount of contributions, a more even split between the three classes is possible, and can be achieved with 15 “large” donors, 14 “medium” donors and 15 “small” donors

23. The below table indicates the suggested amounts for contributions for each Party under both scenarios.

24. The figures in the below table (table 3) illustrate that in both scenarios 34 out of 44 State Parties would need to contribute substantially more than they currently do. For example according to scenario (a) 14 Parties, did not pledge or have not yet contributed anything during the intersessional period 2011-2014, would have to contribute in total 30,000 USD for the three years period. This would concern Azerbaijan, Belarus, Belgium, Canada, Greece, Ireland, Italy, Kazakhstan, Luxembourg, Portugal, Romania, Spain, Sweden and United Kingdom. In contrast, four or five Parties would be invited to contribute on average 40 % less than they do at the moment.

Table 3. An example of contributions to the Convention trust fund for the intersessional period (three years), based on three “categories of donors”

<i>Column A:</i> Countries (Parties)	<i>Column B: Gross domestic product (GDP)ⁿ</i>	<i>Column C: Contribution based on alternative (B) “classes of donors” scenario (a) for three years (US\$)</i>	<i>Column D: Contribution based on alternative (C) “classes of donors” scenario (b) for three years (US\$)</i>	<i>Column E: Contribution calculated based on the scale of assessments for three years (US\$)</i>	<i>Column F: Actual pledges by Countries (Parties) for 2011-2014</i>
Albania	13,119,013,351	5 000	2 500	272	
Armenia	9,910,387,657	5 000	2 500	191	
Austria	399,649,131,197	30 000	45 000	21 719	18 000
Azerbaijan	67,197,738,735	30 000	15 000	1 089	
Belarus	63,267,017,440	30 000	15 000	1 524	
Belgium	483,709,179,738	30 000	45 000	27 162	
Bosnia and Herzegovina	17,047,582,420	5 000	2 500	463	
Bulgaria	51,030,480,061	30 000	15 000	1 279	8 000
Canada	1,821,424,139,311	30 000	45 000	81 214	
Croatia	56,441,607,483	30 000	15 000	3 429	9 000

ⁿ Gross Domestic Product in 2012 (except for Liechtenstein in 2009)
Source: World Bank <http://data.worldbank.org/indicator/NY.GDP.MKTP.CD>

<i>Column A: Countries (Parties)</i>	<i>Column B: Gross domestic product (GDP)ⁿ</i>	<i>Column C: Contribution based on alternative (B) "classes of donors" scenario (a) for three years(US\$)</i>	<i>Column D: Contribution based on alternative (C) "classes of donors" scenario (b) for three years (US\$)</i>	<i>Column E: Contribution calculated based on the scale of assessments for three years (US\$)</i>	<i>Column F: Actual pledges by Countries (Parties) for 2011-2014</i>
Cyprus	22,980,960,640	5 000	2 500	1 279	
Czech Republic	195,656,544,503	30 000	15 000	10 506	15 000
Denmark	314,242,037,117	30 000	45 000	18 371	
Estonia	21,854,197,101	5 000	2 500	1 089	
Finland	250,024,427,873	30 000	45 000	14 125	
France	2,612,878,387,760	30 000	45 000	152 222	42 000
Germany	3,399,588,583,183	30 000	45 000	194 353	30 000
Greece	249,098,684,277	30 000	15 000	17 364	
Hungary	125,507,525,410	30 000	15 000	7 240	16 000
Ireland	210,330,986,080	30 000	15 000	11 376	
Italy	2,013,263,114,239	30 000	45 000	121 059	
Kazakhstan	201,680,160,955	30 000	15 000	3 293	
Kyrgyzstan	6,473,175,648	500	2 500	54	
Latvia	28,373,857,404	5 000	2 500	1 279	
Liechtenstein	4,826,167,676	500	2 500	245	
Lithuania	42,245,532,390	5 000	2 500	1 987	
Luxembourg	57,117,125,225	30 000	15 000	2 205	
Malta	8,721,923,077	5 000	2 500	435	
Montenegro	4,231,452,000	500	2 500	136	
Netherlands	772,226,793,520	30 000	45 000	45 016	67 000
Norway	499,667,211,001	30 000	45 000	23 161	37 000
Poland	489,795,486,644	30 000	45 000	25 066	15 000
Portugal	212,454,101,311	30 000	15 000	12 901	
Republic of Moldova	7,254,113,625	500	2 500	82	
Romania	169,395,940,257	30 000	15 000	6 151	
Serbia	37,488,935,010	5 000	2 500	1 089	1 000
Slovakia	91,619,230,769	30 000	15 000	4 654	2 000
Slovenia	45,469,230,770	5 000	2 500	2 722	9 000
Spain	1,349,350,732,836	30 000	45 000	80 915	
Sweden	525,742,140,221	30 000	45 000	26 128	
Switzerland	632,193,558,707	30 000	45 000	28 496	60 000
The former Yugoslav Republic of Macedonia	9,663,203,711	5 000	2 500	218	
Ukraine	176,308,825,694	30 000	15 000	2 694	6 000
United Kingdom of	15,684,800,000,000	30 000	45 000	140 954	

<i>Column A: Countries (Parties)</i>	<i>Column B: Gross domestic product (GDP)ⁿ</i>	<i>Column C: Contribution based on alternative (B) "classes of donors" scenario (a) for three years(US\$)</i>	<i>Column D: Contribution based on alternative (C) "classes of donors" scenario (b) for three years (US\$)</i>	<i>Column E: Contribution calculated based on the scale of assessments for three years (US\$)</i>	<i>Column F: Actual pledges by Countries (Parties) for 2011-2014</i>
Great Britain and Northern Ireland					
European Union		210 000 ^o	210 000	37 796	210 000
Total		1 137 000	1 132 500	1 135 000	545 000

Alternative D

25. During its second meeting, in May 2013, the Working Group proposed a fourth alternative scheme for financial contributions and agreed that this be included into the draft financial strategy for further consideration by the Working Group at its third meeting. This alternative (D) is a mandatory scheme of financial contributions, whereby each Party to the Convention and to the Protocol has an obligation to contribute each year an amount that it may choose on a voluntary basis. As a guidance, Parties could be referred to minimum amounts to be contributed calculated based on the United Nations scale of assessments or on any another appropriate method.

26. This alternative is the only one that would introduce an obligation for each Party to contribute annually to the trust fund of the Convention. If all Parties complied with their obligation to contribute, this would increase the total number of contributions to the trust fund and distribute the financial burden more evenly, in this regard. However, as Parties could choose the amounts of their yearly contributions on a purely voluntary basis, this scheme would not improve the predictability of the contributions nor be able to ensure their sufficiency to finance the Convention's budget.

27. The Working Group may also wish to discuss the possible consequences of a non-compliance by a Party with its obligations to contribute. Under the EMEP Protocol to the ECE Air Pollution Convention, which has a mandatory scheme for contributions, the Convention secretariat sends each year requests for payment for all the Parties, specifying the amounts and deadlines for the payment. Should a Party not pay its mandatory yearly contribution, the secretariat would report on the failure to pay at the annual meeting of the Convention's Executive Body. The subsequent year, the Party will be requested to pay its annual contribution and on top of it its unpaid previous contribution(s) (arrears), with the requests indicating the cumulative amounts to be paid.

28. The Working Group of the Parties to the Protocol on PRTRs will also discuss the "Elements of possible financial arrangements" at its third meeting on 20-21 November 2013. The Draft decision on financial arrangements under the Protocol (ECE/MP.PRTR/WG.1/2013/11)^p includes four alternative schemes of contribution, one of them being a hybrid scheme. This scheme would consist of a mandatory part to finance the

^o Calculations for scenarios 1 and 2 are made assuming that EU would contribute the amount it pledged for 2011-2014.

^p Available at http://www.unece.org/fileadmin/DAM/env/pp/prtr/WGP-3/ece.mp.prtr.wg.1.2013.11_as_submitted.pdf

part of the work programme identified as the core requirements, considered as essential, with the remaining part, additional requirements, to be financed on a recommendatory basis. Failure to submit a financial contribution in accordance with the above scheme would be brought to the attention and consideration of the Meeting of the Parties.

Alternative E

29. In the draft financial strategy (ECE/MP.EIA/WG.2/2013/5) which was discussed at the second meeting of the Working Group on EIA and SEA, one of the alternative schemes for contributions was a “hybrid scheme of contributions”. The proposed hybrid scheme consisted of a compulsory part to finance a certain part of the budget (e.g., 30–40 per cent), and sharing of the remaining part of it (e.g., 60–70 per cent) on a voluntary basis by applying either the adjusted United Nations scale of assessments approach (scheme A above) or the “classes of donors” approach (scheme C above). This alternative was rejected by the Working Group.

30. After the meeting, a member of the Bureau proposed that the Working Group consider a mixed scheme of contributions that would be based on “indicative” instead of mandatory contributions for core activities. This alternative scheme would be voluntary, but would indicate contributions for each Party based on the adjusted United Nations scale of assessment to fulfil the core activities (priority 1 in the draft budget, ECE/MP.EIA/WG.2/2013/L.2). The difference to alternative B above would be that all the Parties would be invited to make a contribution based on the scale of assessment for the budget covering only the core activities (i.e. approximately 50 % of the total budget). The funding of the rest of the budgeted activities would depend on additional voluntary contributions by Parties

31. The below table (table 4) presents what the UN scale of assessment based indicative contributions for the core activities would amount to for the Convention Parties in the period 2011-2014. The current budget is in total 1.350,000 USD, out of which 470,000 USD is allocated to priority 1 activities (i.e. the costs of an extra budgetary staff member of the Convention secretariat and the consultancy costs for drafting the reviews of implementation of the Convention and the Protocol), and the rest 665,000 USD to priority 2 activities.

32. For the next intersessional period 2014-2017, the proposed total budget is 1.250,000 USD, out of which 565,000 USD are allocated to priority 1 activities, and the rest 560,000 USD to priority 2 activities.

Table 4. Alternative E: Indicative contributions for all the Parties to cover core activities (i.e. some 50% of the total budget) for the period 2011-2014, based on the United Nations scale of assessment

<i>Column A: Countries (Parties)</i>	<i>Column B: Indicative contribution for core activities based on scale of assessments for 2011-2014(US\$)</i>	<i>Column C: Actual pledges by Countries (Parties) for 2011-2014</i>
Albania	113	
Armenia	79	
Austria	8 994	18 000

Azerbaijan	451	
Belarus	631	
Belgium	11 248	
Bosnia and Herzegovina	192	
Bulgaria	530	8 000
Canada	33 630	
Croatia	1 420	9 000
Cyprus	530	
Czech Republic	4 350	15 000
Denmark	7 607	
Estonia	451	
Finland	5 849	
France	63 035	42 000
Germany	80 481	30 00
Greece	7 190	
Hungary	2 998	16 000
Ireland	4 711	
Italy	50 130	
Kazakhstan	1 364	
Kyrgyzstan	23	
Latvia	530	
Liechtenstein	101	
Lithuania	823	
Luxembourg	913	
Malta	180	
Montenegro	56	
Netherlands	18 641	67 000
Norway	9 591	37 000
Poland	10 380	15 000
Portugal	5 342	
Republic of Moldova	34	
Romania	2 547	
Serbia	451	1 000
Slovakia	1 927	2 000

Slovenia	1 127	9 000
Spain	33 506	
Sweden	10 819	
Switzerland	11 800	60 000
The former Yugoslav Republic of Macedonia	90	
Ukraine	1 116	6 000
United Kingdom of Great Britain and Northern Ireland	58 369	
European Union	15 651	210 000
Total	470 000	545 000